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## Centering labour in financialization

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### ABSTRACT

This article draws on an engagement with Marx's notes on money and finance to reconsider the relationships between labour, working classes, and financial accumulation. In recent years, these dynamics have often been understood through the lens of 'financialization' -- referring to a trend towards the growing prominence of financial sector profits, logics, and power at the expense of productive activity. This lens has tended to produce analyses of labour and finance that are (1) unidirectional and (2) that often lump a wide range of developments under a single heading without considering how these trends might intersect in potentially contradictory ways. Marx offers a useful alternative insofar as his approach to money and finance centers on a continual and fraught dynamic between the 'abstract' social labour embodied in money and the 'concrete' labour performed in particular places at particular times. This argument is illustrated through brief vignettes from South Africa.

KEYWORDS: finance; labour; financialization; Marx; South Africa

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## INTRODUCTION

The burgeoning literature on the ‘financialization’ of the world economy raises important questions around the relationships between financial markets and productive activities (see Hall 2013; Pike and Pollard 2010), pointing to important effects on labour (see Bengtussen and Ryner 2015; Peters 2011). However, as an analytic lens, ‘financialization’ tends to flatten the uneven and contested character of these relationships into a unidirectional story of the colonization of production by an *a priori* external ‘financial’ capital, in which labour is a key victim.

In this article, I argue for placing labour at the centre of analyses of financial capitalism. I make two claims. First, financial accumulation is a fraught and uneven process in which labour plays a constitutive role. This is somewhat obscured when we view these relationships through the lens of ever-widening financialization. Studies of financialization have often explored the ways in which financial logics impinge on the labour process (Bryan *et al.* 2017; Cushen and Thompson 2016), or workers bear the brunt of frequent cost-cutting by financialized corporations (Froud *et al.* 2000). This article, by contrast, highlights the ways in which financial modes of accumulation remain dependent on the realization of particular spatial configurations of work and associated patterns of social reproduction. Second, I argue that Marx’s notes on money and finance offer useful means of doing so -- highlighting a continual tension between the ‘abstract’ labour embodied in money and the ‘concrete’ labour performed in particular places. Money is an abstract claim over future labour, but that claim is fundamentally uncertain and needs to be realized through concrete labour. In this way, alongside considerations of how finance capital reshapes the labour process, Marx’s notes push us to consider how the spatial and temporal dynamics of labour exploitation shape and constrain processes of financial accumulation. Marx thus invites explorations of the intersecting relationships between financial accumulation and labour in ways that narratives of ever-wider ‘financialization’ don’t easily permit. In making this argument, I build on previous Marxian examinations of financial capitalism (e.g. Bryan *et al.* 2009; Bryan and Rafferty 2016; Fine 2010; Christophers 2011; Soederberg 2014), but read Marx in a way that is perhaps more attentive to the entanglement of finance with contingent and failure-prone forms of labour.

Positioning financial accumulation as a product of the spatial and temporal unevenness of labour exploitation is important for two reasons. First, it suggests some important limits to processes of financialization – important insofar as the literature on financialization has rarely engaged with questions of limits (though see French *et al.* 2011; Montgomery and Tepe-Belfrage 2017). Second, it offers different diagnoses of transformations in contemporary capitalism. It matters a good deal in articulating responses to the depredations of neoliberal capitalism whether we attribute these to the more pervasive spread of financial logics or to the continued unfolding of capitalist dynamics of labour exploitation.

I develop these arguments in four steps. The first section examines the place of labour in existing debates about financialization. I then turn in the second section to a discussion of Marx’s notes on money and the financial system. The final section of the paper reflects in more concrete terms on how centring our analyses of financial accumulation on this dialectic might recast analyses of

finance and labour through brief ‘vignettes’ from South Africa.<sup>1</sup> These offer useful windows on the uneven dynamics of financial accumulation because the country’s post-apartheid trajectory has often been interpreted in terms of dynamics of peripheral financialization on a national scale. Developments in South Africa, in short, offer us a number of lenses on dynamics unfolding, if unevenly, simultaneously across global, national, and local scales. The article concludes with a brief consideration of why the interpretive shifts implied in the Marxian approach adopted here matter.

## LABOUR AND FINANCIALIZATION

Financialization is undoubtedly a broad concept subject to considerable debate (van der Zwan 2014). For present purposes, we can split this literature into (1) studies of the relationships between financial and productive capital, and (2) studies of the financialization of daily life. Across these debates, stories about ‘financialization’ often rest on a conception of finance and financial logics as exogenous forces impinging on processes of production and reproduction.

### *Financialization and production*

Much recent Marxian writing treats financialization and neoliberalism as interlinked elements of a project to restore lagging profit rates dating to the 1970s (Fine and Saad-Filho 2017; Carroll *et al.* 2019). Fine defines financialization in this context as a process wherein ‘economic activity in general has become subject to the logic and imperatives of interest-bearing capital’ (2010: 99). Financialization in this sense is understood as an attack on working classes. Harvey suggests that the shift towards a finance-led mode of accumulation ‘could be used to attack the power of working class movements either directly, by exercising disciplinary oversight on production, or indirectly by facilitating greater geographical mobility for all forms of capital’ (2004: 77-78). There is empirical support for this narrative in the broadest sense. We can in fact point to rising financial sector profits in this period (notwithstanding some debate about the methodological nationalism inherent in many measurements of ‘financialization’ in this sense, see Christophers 2012). Various quantitative studies, moreover, have highlighted correlations between rising financial profits and falling wage shares, rising precarity and inequality (see e.g. Lin and Tomaskovic-Devey 2013; Bengtussen and Ryner 2015).

Studies of the influence of ‘shareholder value’ doctrines on corporate activity in particular sectors have embedded broadly similar narratives in more fine-grained insights about transformations in firm structures. Studies across a number of sectors point to a tendency for firms beholden to equity markets to prioritize share buybacks and dividends, driving supply chain re-organizations and at times underinvestment in productive capacity (Milberg 2008; Gibbon 2002; Pike 2006; Clapp and Isakson 2018). Studies have highlighted a tendency for workers to bear the brunt of such restructuring, particularly efforts to cut costs (e.g. Froud *et al.* 2000; Jung 2015). Recent studies focusing on the extractive industries have highlighted emerging patterns of mining development based on rapid expansion during speculative price booms followed by rapid restructuring, mine closures, and layoffs when prices collapse, driven by the increasingly short-term profit-orientations driven by shareholder value ideologies (de los Reyes 2017; Parker *et al.* 2017; Bowman 2018).

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<sup>1</sup> The term vignettes is taken from Harberger (1980), it highlights that ‘South Africa’ in this context is not a self-contained case, but rather a particular vantage point on global processes.

The emphasis here, whether we look from a wider angle at economies as a whole or at particular firms, remains on distributional struggles between financial and productive capital, and the ways in which productive processes are reshaped or degraded by the latter. This raises at least two problems. In the first instance, it tends to reduce labour to the victim of financial capital. Second, attributing these developments to ‘financialization’ tends ironically to black-box ‘finance’ itself as a kind of *a priori* outside force impinging on labour markets, policy-making, and corporate governance.

### *The financialization of daily life*

Somewhat less direct attention has been paid to labour in the emerging literature on ‘the financialization of daily life’ (Martin 2002). Much of the emphasis here has been on mapping the particular modes of calculation and subjectivity through which financial subjects are increasingly expected to manage their own existence -- or, in Hall’s evocative terms, everyday uses of financial techniques and subjectivities have become increasingly ‘inescapable’ (2012: 407). The emergence of new forms of credit scores (Aitken 2017), financialized pension schemes (Langley 2006) and the like are often treated as forms of hyper-individualized governmentality. Recent studies have closely examined lived subjectivities of engagements with financial products and markets in a variety of contexts (e.g. Hilling 2019; Lai 2017; Settle 2016). It’s perhaps ironic that relatively little direct attention has been given to labour and livelihoods in this line of research. Where there is a range of literature on the ‘financialization of daily life’ that takes the limits of financialization and possibilities for resistance very seriously, they do so primarily with reference to consumer engagements with various financial instruments rather than labour agency, *per se* (e.g. Langley 2006; Kear 2017; Kremers and Brassett 2017; Langley *et al.* 2019). Soederberg (2014: 25) notes, with some justification, that ‘much of the literature on financialisation and consumer society stops at the realm of exchange without venturing into the wider capitalist relations of production and by extension, accumulation’.

There are some partial exceptions here looking at how workers’ incomes and social reproduction might pose limits on financialization. Montgomerie and Tepe-Belfrage (2017) show how household-level entanglements of debts with patterns of social reproduction pose limits on processes of financialization. Debts ultimately need to be ‘cared’ for, and macro-level patterns of financial accumulation are thus contingent both on the continued availability of income with which to make payments, on whether or not ‘caring’ for debts is consistently prioritized over caring for other needs. Bryan *et al.* (2009), relatedly, suggest that dynamics of financialization have profoundly changed the nature of relationships between labour and capital. Along with Marx’s ‘double freedom’ (to sell labour power to whomever, and of other means of securing survival), labour is now ‘labor is free to accumulate (a re-attachment to capital) and free to convert part of their income into surplus value (interest payments)’ (2009: 464). In this financialized ‘double freedom’, though, it is notable that the cost of non-compliance is no longer fully imposed on labour, but rather at least partially borne by financial capital itself through the risk of default. Here we can start to see considerations of how the ‘indeterminacy’ of labour, in Smith’s (2006) useful phrase, might pose limits on financial accumulation. Yet, to start to take these dynamics into account also starts to call the explanatory usefulness of ‘financialization’ as a conceptual lens into account, not least because workers’ indebtedness in the first place is

intimately linked to the temporalities of work and payment as much as it is to any broad 'rise of finance'.

Across narratives about financialization, then, we see financial logics acting on labour, transforming workplaces, labour markets, and means of reproduction. Little attention has nonetheless been paid to the constitutive role of labour in shaping emergent patterns of financial accumulation in the first place and the ways in which these dynamics shape and limit wider processes of financialization across different scales. Part of the problem is arguably with the concept of 'financialization' itself -- to talk in terms of 'financialization' often presumes that financial logics act on other areas of social life (Christophers 2015). There's a question, then, around how useful the language of financialization is when it comes to answering the vitally important questions it raises about the relationships between labour and finance.

### CAPITAL, FINANCE, AND LABOUR

In this section, I argue that Marx's notes on money and finance offer up some useful hints about how we might approach these questions differently.

Marx understands 'capital' as an ongoing circuit of social relations mediated by money. In the 'general formula for capital', M-C-M' (1990: 257) -- money is exchanged for specific commodities (M-C), which are combined with (commodified) labour, and reconverted into money through exchange (C-M'). In this understanding capital is more a *process* than a thing -- through circulation 'value... becomes value in process, money in process, and, as such, capital' (1990: 256). In Mann's (2008: 9) phrase, money is thus the 'stitch of space-time' under capitalism, enabling the integration of the disparate phases of this circuit across time and space. The realization of this process, though, is always uncertain as the 'alienation of labour-power and its real manifestation... do not coincide in time' (Marx 1990: 274). This understanding of money, importantly, centres on the social relations through which value is *abstracted* from concrete labour processes -- the circuits through which 'concrete labour becomes the form of the manifestation of its opposite, abstract human labour' (Marx 1990: 150). Financial practices -- or means of transporting the abstract value embodied in money across space and time -- can be understood as various efforts to manage these spatio-temporal disjunctures and their attendant risks.

On one hand, capital is dependent on the availability of money prior to the process of production, through credit. Marx underlines this point in his notes on the banking system in Volume 3 of *Capital*:

the industrial capitalist does not 'save' his capital but rather disposes of the savings of others in proportion to the size of his capital, and the credit that the reproductive capitalists give one another, and that the public give them, he makes into his own source of private enrichment. (1991: 640)

The temporal displacement implicit here necessarily carries an element of risk. Concrete labour must be mobilized at a cost and a level of productivity consistent with the 'abstract' labour embodied in the initial 'M' -- otherwise, 'capital is lost because the individual concrete specific conditions of labour do not correspond to the conditions for embodying concrete labour' (Harvey 2006: 88). This is all the more difficult because workers are active agents in this process. Labour is perpetually 'indeterminate', in Smith's (2006) useful phrase -- workers might fail to work their

contracted hours, or produce below expected levels, for any range of reasons, deliberate or otherwise -- if they e.g. drag their feet, get sick, go on strike. Financial risks stem in large part from the uncertainty that requisite concrete labour that can be realized in a particular time and place.

This has implications for how we ought to think about the category of ‘interest-bearing capital’ -- calling into question the analytic value of treating it as a separate fragment of capital. The circuit M-M', often used to refer to speculative capital, is on one hand a shorthand for a circuit better represented as ‘M-M-C-M'-M'' where money capital is advanced, cycled into the ordinary circuit of capital, and returned as interest (1991: 461). Marx notes that ‘it is precisely this process of M as capital which the interest of the lending money-capitalist is based on and from which it derives’ (1991: 467). There *is* a distributional struggle between money capital and productive capital implicit here over the share of profit that is returned as interest, as highlighted in the literature on financialization, but interest remains reliant on the profitable realization of the circuit of capital. On the other hand, the shorthand M-M' also calls attention to the troublesome processes of abstraction through which ‘everything that happens in between’ in order to enable repayment (1991: 471) is hidden from view. Insofar as financial profits appear to be ‘decoupled’ from productive activities, or purely speculative, then, they represent ‘the capital *mystification in its most flagrant form*’ (Marx 1991: 516, emphasis added). The important task for analyses, then, is to examine the ways in which ‘interest-bearing capital’ is realised through the continual restructuring of relations of production and the processes of abstraction by which financial profits are linked to productive activities – to bring back into view, in short, ‘everything that happens in between’.

There is an important corollary here. Namely, rendering labour as a commodity also entails a number of crucial spatio-temporal displacements in its own right. The subjection of labour to the ‘silent compulsion’ of the market (Marx 1990: 899) depends on the subjection of processes of social reproduction to the logic of money. Yet the lag between the sale of labour and its concrete manifestation means that the performance and reproduction of labour also do not coincide with the payment of wages. As a consequence, ‘Everywhere the worker allows credit to the capitalist. That this credit is no mere fiction is shown by the occasional loss of the wages the worker has already advanced, when a capitalist goes bankrupt, but also by a series of more long-lasting consequences’ (1990: 278). In a footnote, Marx elaborates on these ‘more long-lasting consequences’ in terms of workers’ need to borrow against future wages for subsistence items (1990: 278-279, n.14). This disjuncture also means that past wages need to be made available for future consumption. But here again, some portion of workers’ revenues will be recycled back into (interest bearing) capital. When workers deposit wages with a bank, Marx notes, ‘The part to be spent as revenue is gradually consumed, but in the meantime it constitutes loan capital as a deposit with the banker’ (1991: 636). In short, work, reproduction, and payment follow different spatial and temporal rhythms, which workers navigate precisely through engagements using money and credit as a ‘stitch’ (Mann 2008).

These disjunctures are amplified further by the fact that employment is not normally constant. Cyclical patterns of restructuring tend to continually produce and reproduce a ‘relative surplus population’ not directly engaged in wage work -- capital ‘depends on the constant formation, the greater or less absorption, and the re-formation of the industrial reserve army or surplus

population' (Marx 1990: 785). Crucially, Marx notes of this relative surplus population that 'every worker belongs to it during the time when he is only partially employed or wholly unemployed' (1990: 794). Yet, the persistence of the 'silent compulsion' of the market depends on these various segments of surplus populations remaining subject to the disciplining force of money. Soederberg (2014) in particular emphasizes the ways in which the governance of surplus populations is increasingly bound up with the articulation of new forms of 'secondary exploitation' outside the labour process through relations of indebtedness. Not only do the short-run temporal disjunctures implicit in wage labour, then, rely on patterns of credit and indebtedness, but capitalist relations of production tend structurally to produce workers not directly engaged in wage labour, but who remain subject to the 'silent compulsion' of the market.

Yet, the realization of financial profits out of these forms of secondary exploitation is always uncertain. 'Everything that goes on in between' still needs to happen -- workers need to earn sufficient incomes to make payments when they fall due. As noted above, where previous authors have considered the relationships between labour and the financialization of daily life, they have often emphasized the limits this poses on financial accumulation. Bryan and Rafferty's (2009) insistence that credit relations reflect but alter the 'double freedom' of labour under capital -- such that the costs of workers' failure to pay is also borne by capital in the form of default -- is worth bearing in mind here. The implications of this point for the uneven development of financial accumulation, though, have perhaps not been considered fully. In particular, another result of the embeddedness of financial accumulation in productive and reproductive circuits is that constructing financial markets in the first place is liable to be difficult in the absence of underlying configurations of labour and social reproduction that enable regular payments (*cf.* Bernards 2019a).

The overarching point here is that the continual realisation of returns to 'interest-bearing capital' is ultimately dependent on processes of production and reproduction, and indeed often tied to workers' revenues. Financial relations are in this sense always tied intimately to, and emerge at least partially out of, a specific set of commodity relations. Finance thus depends implicitly on the future mobilisation of concrete labour at the price and level of productivity implied in the credit transaction, or the continued payment of wages at levels sufficient to enable both the payment of debts and the purchase of means of survival. Any 'separation' of financial and productive activities is thus only ever partially achieved. The implication here is that financial markets do not impose on productive economies from the outside so much as emerge from, intersect with, and amplify the contradictory patterns of uneven development implicit in capitalist relations of production. The indeterminacy of (concrete) labour on the one hand (Smith 2006), and the needs of labour for ongoing reproduction are both integral to the articulation and realization of financial capital. Capital-as-process involves a delicate spatio-temporal dance, in which credit money and speculative markets can serve as a 'stitch' (Mann 2008), but only by heightening already-inherent tensions. Those tensions themselves often centre on the agency and disruptive capacity of workers themselves. Equally, while it is possible for some segments of capital to profit primarily from speculative activities, such activities still depend on the continuation of productive activities in particular forms and arise in part out of spatial and temporal disjunctures inherent in production and reproduction under capitalism.



What would it mean, then, to study finance and the relationships between financial and productive activities from this angle? It requires in the first instance that we foreground the relationships between interest bearing capital and everything that must ‘go on in between’ to enable continual payments: What configurations of space, labour, and productive capital are needed to enable particular forms of financial accumulation? How durable are they and how far *can* they be brought into existence? How do existing patterns of restructuring shape and constrain processes of financial accumulation? And, crucially, do these dynamics help to explain the uneven character of the development of new financial markets?

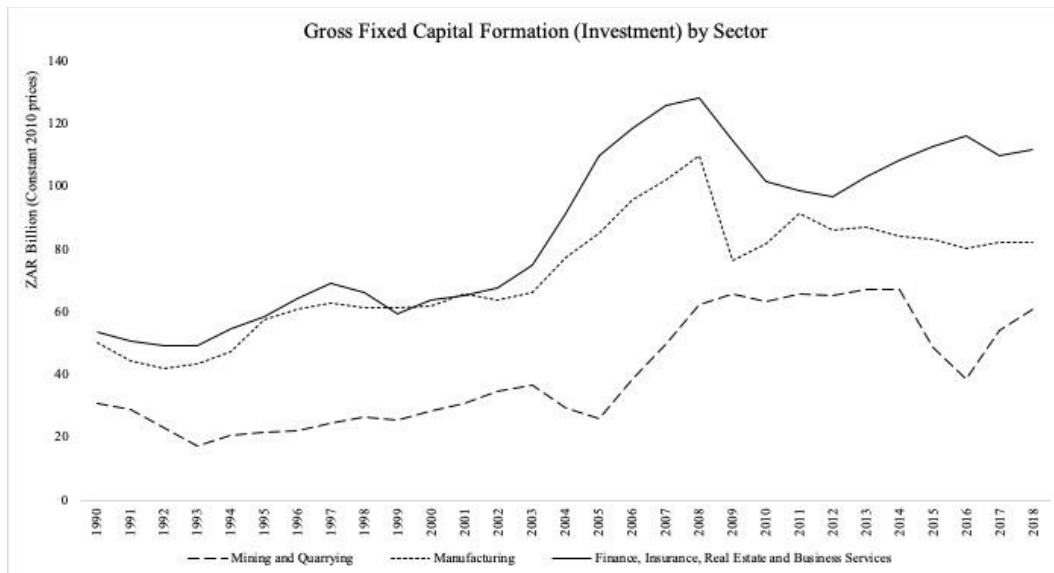
#### LABOURING THROUGH FINANCIALIZATION IN SOUTH AFRICA?

South Africa’s post-apartheid trajectory offers us a particularly useful lens through which to think about how these questions might be applied. Developments in the country have inarguably been profoundly shaped by their intersections with patterns of financial accumulation on a global scale. A number of previous authors have analyzed these developments in terms of ‘financialization’ (see Ashman *et al.* 2011; Bond 2013; Karwowski *et al.* 2018). While these studies have generated important insights, there are nonetheless arguably some areas, particularly around the *uneven* nature of the growth of financial profits and spread of financial logics, where the kinds of questions raised by the Marxian approach developed in the previous section are particularly helpful.

##### *Financial accumulation and post-apartheid restructuring*

South Africa’s sprawling apartheid-era corporate conglomerates were dramatically restructured in the 1990s and early 2000s, spinning off or disinvesting from non-core assets in order to appeal to global equity markets. Many relocated their headquarters to London. These moves were encouraged by the South African government at the time with the rationale that it would enable South African firms to tap global equity markets and thus drive foreign direct investment in South Africa. In practice, though, between 1997-2006 when most major London listings took place: ‘Rather than London listings enabling conglomerates to raise capital to fund investments in South Africa, there has been a much more striking pattern of outward acquisition and investments’ – outward stocks of FDI more than tripled from USD 8.7 billion in 1995 to 28.8 billion in 2006 (Chabane *et al.* 2006: 559). Where money was invested within South Africa, it was increasingly in real estate holdings, in the stock market, and in various forms of financial instruments. This is reflected, if somewhat crudely, in the patterns of sectoral investment shown in Figure 1 -- investment in the financial, insurance, and real-estate sectors has increasingly outpaced investments in mining and manufacturing since the early 2000s.

Figure 1:



Source: data from South African Reserve Bank

The consequences of these shifts for South African workers have been stark. Unemployment rates have remained above 25 percent for most of the past decade -- the most recent figure at the time of writing was 27.6 percent (SSA 2019: 7). Even for workers who are employed, livelihoods are increasingly insecure. Scully (2016: 303) estimates that 42 percent of work in South Africa could be classified as precarious either because they derive their incomes from 'survivalist' activities (e.g. self-employment, casual piecework) or because they work in regular wage jobs with limited hours, short term contracts, or where employers fail to adhere to statutory requirements. Wages as a share of GDP fell steadily, from 50.1 percent in 1995 to 44.5 percent in 2010 (Forslund 2013: 109). These trends have led some authors to conclude that labour, and particularly 'low-skilled' labour is of declining relevance for the emergent modes of financialized capitalism now prevalent in South Africa (e.g. Ferguson 2015: 11).

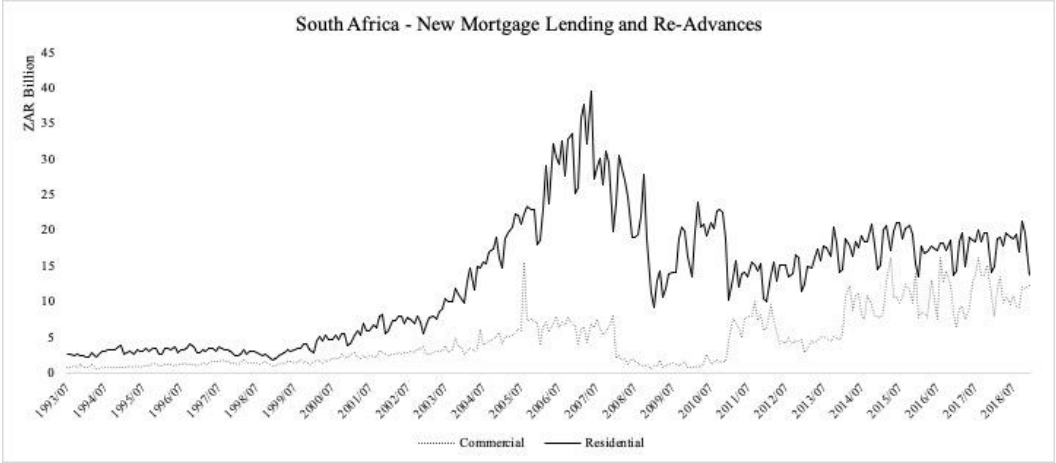
Figure 2:



Source: data from Bank for International Settlements

Yet, on closer inspection, new forms of financial accumulation do not so much represent a financial capitalism with less need for labour as an iteration of global capitalist restructuring requiring new spatial and social articulations of labour. In the first instance, the ‘investment strike’ is probably better understood as a spatial restructuring in which capital previously confined to investment in South Africa was recirculated into productive activities in new territories in search of higher returns. Equally, the particular spatial and social parameters of financial accumulation in South Africa has remained heavily dependent on particular configurations of labour. One example here comes from the recent turn of financial capital to commercial real estate. As Karwowski (2018) notes, the initial investment strike was followed by a redeployment of assets in a boom in investments in real estate. Prior to 2008, a considerable amount of money was invested in residential property. As real prices of residential property have increasingly levelled off (see Figure 2), however, a growing proportion of financial capital has been invested in commercial real estate. This is indicated in Figure 3, which shows the amount of new mortgage lending against residential and commercial properties, respectively, since 1993. Since 2010 in particular, a growing proportion of overall mortgage lending recorded by the South African Reserve Bank has been for commercial properties.

Figure 3:



Source: data from South African Reserve Bank

Yet here Marx’s injunction to bear in mind ‘everything that goes on in between’ in order to enable the realization of returns to interest-bearing capital is worth following. This movement of investment into real estate has been accompanied by a notable increase in both expenditures and employment in construction. However, as Table 1 shows, much of this increased employment has taken the form of subcontracted labour, often hired through labour brokers. In 2004, roughly 61 percent of total employment in the construction sector consisted of direct employees of construction firms; by 2014, this proportion had dropped to roughly 38 percent. While wage payments have roughly grown in proportion with overall increases in expenditure, they have been outstripped by the growth of payments to subcontractors and labour brokers.

Table 1: Construction Employment in South Africa

Year	Total expenditure (in ZAR million)	Direct employees	Total employed	Wages (ZAR million)	Payments to sub-contractors and labour brokers (ZAR million)
2004	96 375	403 000	659 000	16 162	15 093
2007	162 292	540 581	966 000	26 722	27 933
2011	257 198	485 467	1 057 000	49 797	52 843
2014	378 900	501 751	1 334 000	61 317	85 696

Source: Statistics South Africa

Another example is the dramatic cycle of boom and bust in platinum mining (see Bowman 2018; Capps 2015). This again is a process closely linked to the wider patterns of corporate restructuring and capital flight highlighted above, as Bowman (2018) details particularly clearly. Major platinum miners in South Africa had historically been part of larger, multi-sector conglomerates, and operated relatively conservatively, relying on a high proportion of retained cash earnings to finance limited expansion. The country's big three platinum firms – Anglo-American Platinum (Amplats), London Minerals Ltd. (Lonmin), and Impala Platinum (Implats) – were products of this process of corporate unbundling and London listing. The associated rise in shareholder value as a key orienting principle meant that free cash was plowed into dividends, and as a result, investments in expanded production were increasingly financed through credit.

The platinum boom thus required the remobilization and spatial reorganization of labour quickly and at low cost. Platinum mining historically drew on colonial- and apartheid-era migrant labour systems that had grown up during the period dominated by gold mining. Employment was thus historically dominated by temporary migrant workers, recruited through the Employment Bureau of Africa run by the Chamber of Mines, and housed in company compounds. In the 1970s and 1980s, as the National Union of Mineworkers (NUM) was increasingly successful in organisation in the compounds and immigration restrictions forced an increased reliance on South African labour, real wages across the mining sector boomed. By one estimate, real wages for mineworkers tripled in the decade following the collapse of Bretton Woods (Moncur and Jones 1999: 118). Mobilizing labour in increasing numbers without inflating wages took on vital importance in the 2000s. As Bowman (2018) again notes, the pressure to deliver dividends to shareholders meant that longer-term investments that might have raised labour productivity or improved efficiency were generally foregone, and downwards pressures were continually inflicted on wages. Firms systematically dismantled compounds, and the use of contract labour and labour brokers proliferated across the mining industry from the 1990s onwards (Kenny and Bezuidenhout 1999) -- in a notable parallel to the construction sector. By the first decade of the 2000s, roughly a third of platinum mining labour was contracted out (see Forrest 2015: 514). For employers, the growth of labour broking permitted a renewed supply of cheap labour in the context of nominally stringent post-apartheid employment laws – in Forrest's words, it allowed employers to replicate apartheid-era recruitment regimes' 'low wages, low social reproduction costs, and no obligation to provide job or social security' (2015: 515). Here again, then, we can

point to a sectoral boom in investment driven by speculative capital, yet reliant on the availability of a mass of workers at short notice and on flexible terms in order to be realized. As noted in the following section, moreover, mobilizing labour on these terms also engendered a number of contradictions around the conditions for social reproduction and have become increasingly contested.

In short, the relationship between returns to interest-bearing capital and labour precarity is a complicated one. The availability in South Africa of a considerable relative surplus population, created in part by the spatial re-configuration of capital flows in the late 1990s and early 2000s, has contributed to enabling subsequent directions in financial accumulation. The growth of commercial property investment, and the boom in platinum mining were both reliant on a considerable population of people, available to be engaged on casualized terms, and who could be quickly remobilized. The crucial point is that, in order to enable particular forms of financial accumulation – as in, for instance, the commercial real estate boom in contemporary South Africa – certain kinds of labour need to be made available. The ‘constant formation and reformation’, in Marx’s terms, of a relative surplus population would appear to be related to processes of financial accumulation in more complex terms than straightforward narratives of labour decline and financialization would seem to assume. As I show in the next sub-section, the particular forms of precarity that these processes of restructuring have engendered for workers have also had implications for the ways in which processes often lumped under the heading of the ‘financialization of daily life’ have proceeded.

### *Centering labour in daily life*

Paying attention to the relations between financial accumulation and ‘everything that goes on in between’ also suggests that we need to be attentive to the ways in which workers’ revenues might shape the development (or failure) of new financial markets (*cf.* Bernards 2019b).

Developments in South Africa, again, offer a useful lens on these dynamics. Exclusions from access to credit were, as James and Rajak (2014) among others have noted, a core feature of apartheid. Reforms to the Usury Act in 1992 removed restrictions on interest rates for small loans. In the late 1990s and early 2000s, microcredit was also heavily promoted as a ‘self-help’ solution to the growing concerns with high unemployment in black communities noted in the above section (see Bateman, 2015). The National Credit Act of 2005, sought to encourage greater lending to populations often barred from borrowing under apartheid, in large part by encouraging greater competition among lenders (Schraten 2014). Most major banks subsequently significantly expanded high-interest, unsecured credit operations. This was matched by a dramatic expansion of commercial microcredit operations, often led by former apartheid-era civil servants, and illegal or semi-legal *mashonisas* (see Bond, 2013: 582-584; Bateman, 2015). As a rough indication of the scope of this movement: the rate of household debt to net disposable income expanded from 59 percent in 1995 to a peak over 85 percent in 2008 (Forslund, 2013: 109).

However, this overall rapid expansion of consumer indebtedness masked a highly uneven process, whose particular spatial and temporal manifestations were profoundly shaped by the movements of labour and patterns of restructuring described in the previous sub-section. In the platinum belt, the influx of new workers, coupled with the privatisation and marketisation of housing and local infrastructures, produced a crisis of social reproduction in platinum belt

communities, as stagnant or falling wages ran up against spiraling living costs and strains on local infrastructure. Less than 10 percent of workers at Lonmin's Marikana facility, for instance, were housed in hostels or other company-built housing in 2013 (Chinguno 2013: 10), while upwards of 40 percent of the total population in the Rustenberg Local Municipality lived in informal settlements (Bezuidenhout and Buhlungu 2015). A notable consequence here was a boom in predatory lending in the platinum belt, and correspondingly, of indebtedness among mineworkers (see Bond 2013; James and Rajak 2014). Specific numbers are hard to come by, but media reports in 2012 and 2013 (particularly in the aftermath of the killing of 44 striking miners by police in 2012) emphasized the prevalence of unsecured credit providers. Miners interviewed in 2012, for instance reported that 'most miners' regularly drew on unsecured credit, on average R 1 000-1 500 with a repayment period of 30 days, often at very high rates of interest: 'Interest rates of 5% a month are charged, excluding a service charge of R50 a month and an initiation fee of a maximum of 15% on the value of the loan. Collection fees for defaulters also apply' (Steyn 2012). The point here is the particular geographies of indebtedness in South Africa are profoundly shaped by the patterns of uneven development and re-mobilization of labour highlighted in the previous sections. It's worth pointing out here that the redeployment of mining labour into new spaces to facilitate platinum mining, particularly in the context of the privatization and individualization of workers' housing, created conditions enabling renewed and intensified forms of financial exploitation (and a concomitant spike in indebtedness in the platinum belt). Formal and informal financial practices have specifically targeted a large number of employed workers with subsistence costs spiralling beyond their wages. On one hand, then, the rapid growth of indebtedness is deeply interlinked with the concrete patterns of uneven development highlighted above.

Yet, we can tell a much more troubled story about the extension of the 'invitation to live by finance' (Martin 2002) elsewhere. One example is the continued failure to develop markets for 'microinsurance' (see Bernards 2018). The National Treasury department, working closely with the International Association of Insurance Supervisors and the World Bank's Consultative Group to Assist the Poor, sought to encourage the development of commercial microinsurance from the 2000s (see National Treasury 2008). This followed a decade's worth of consultant reports noting the widespread incidence of informal burial societies and funeral insurance, estimating that roughly 8 million people belonged to such organizations, a series of Parliamentary Committee on Finance hearings on abuses in the funeral industry held in 2003 and 2005 (CENFRI 2013), and broader regulatory efforts to formalize informal financial operations (see Daniels, 2004). A 2011 report from the Treasury identifies the rectification of the mismatch between the continued dominance of funeral insurance and the perceived 'biggest risk to families -- a loss of income through death or job loss of the primary breadwinner' (National Treasury, 2011: i) as a crucial objective. Despite this regulatory activity, though, growth in the microinsurance sector remained limited in significant ways. From 2011 to 2014, growth in terms of lives covered was about 9.5 percent (MIC, 2016: 40). Moreover, the kinds of products hoped for by advocates of microinsurance have largely failed to materialize. Funeral insurance remains dominant, although there has been some limited expansion in life and property insurance (MIC, 2016: 41). Moreover, while microinsurance is widespread, it does not generate much revenue: gross written premiums for microinsurance in 2015 stood at 1.2 percent of the total premiums collected for the insurance industry in the country as a whole (MIC, 2016: 40).

In short, the widespread precarity, unemployment and rising indebtedness symptomatic of the wider patterns of restructuring highlighted above significantly restrict the proportion of lower-income populations able to make regular payments for formal insurance. Indeed, the ‘irregular and unpredictable cash flows’ of potential clients have been a matter of concern for microinsurers in South Africa and elsewhere for quite some time (Wipf et al., 2006: 156). Crucially, then, wages and incomes continue to pose significant limits on the development of new financial markets. Here again, then, financial accumulation is both spatially and temporally uneven, and uneven in terms of particular products. The ‘invitation to live by finance’ has been extended unevenly and taken up unevenly, in ways that appear map quite closely onto the geographies of labour re-organization and restructuring highlighted in the previous section. The point, again, is that there is only so far that ‘financialization’ would appear to be able to take us in explaining what’s going on, and we might do much to understand this unevenness in terms of how different financial practices plug into what ‘goes on in between’.

## CONCLUSION

This article has traced out debates about labour and financialization, arguing that centering labour in financial capitalism requires more caution in terms of how we use the term ‘financialization’. Marx offers up useful hints in terms of how to put labour at the centre of our analyses of financial accumulation. Marx’s understanding of capital as a process centered on the continual dialectic between ‘abstract’ and ‘concrete’ labour is particularly useful insofar as it calls attention to the ways in which financial accumulation remains tied to the realization of capital through concrete labour.

This is important because it suggests that processes of financialization are not just about the colonization of ‘real’ productive economies by ‘speculative’ logics, or the extraction of financial profits from real production. Financialization is, at best, an uneven process conditioned by dynamics of labour and social reproduction. Abstract labour in the form of money always needs to be, but is not always successfully, realized through concrete labour. This matters in analytic terms because it suggests a need for more careful attention to the ways that labour shapes financialization as much as vice-versa. It’s not merely that the rising prominence of financial accumulation exposes capital as well as labour to new risks (*per* Bryan *et al.* 2009), but that the uneven geographies of emergent financial markets have been profoundly shaped by the spatial reconfiguration of labour. Research should start from the premise that financial accumulation is a spatially and temporally uneven process and should look at how those patterns of unevenness are shaped by the spatial and temporal dynamics of labour and social reproduction. But it also matters in political terms. It calls into question the strategic usefulness of thinking in terms of ‘financialization’. Resistance to ‘financialization’, *per se*, is unlikely to be productive if it leaves the underlying patterns of risk, vulnerability, and displacement that underpin capitalist finance untouched. If finance capital is ultimately reliant on labour, this suggests ultimately that the priority needs to be placed on struggles to decommodify the means of social reproduction (e.g. housing, transport, food) and to foster workers’ rights and democratic control over workplaces. Struggles over the future of capitalism, in short, won’t be won on the terrain of finance.

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